

State of Wisconsin, Department of Revenue

DIVISION OF STATE AND LOCAL FINANCE, BUREAU OF PROPERTY TAX, 2135 Rimrock Road, P.O. Box 8971, MS6-97, Madison, WI 53708-8971

REAL ESTATE TRANSFER NEWS (RETN)

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The following questions and answers are given as general interpretations of the Wisconsin Administrative Code and Statutes. For additional information, go to Real Estate Transfer and Merger/Conversion page: <http://www.revenue.wi.gov/ust/retn.html> This RETN may be found under Resources; [Newsletters](#) (Real Estate Transfer News)

The eRETR (electronic Real Estate Transfer Return): Real Estate Transfer Return Filing - [eRETR PE-500 and PE-500x](#)

2007 Act 219 (Senate Bill 549) signed into law on April 7, 2008, effective April 22, 2008, creates stricter confidentiality standards for real estate transfer returns, and requires that all real estate transfer returns be filed electronically on or after July 1, 2009.

RETN FREQUENTLY ASKED QUESTIONS

Q1. What do we do when an individual who is not a U.S. citizen (alien) buys property and does not have a social security number?

- A. The Wisconsin Real Estate Transfer Return (eRETR or PE-500) is a tax related document which requires a taxpayer identification number. When an alien individual who does not have a social security number (SSN) or individual taxpayer identification number (ITIN) and legally is not required having one, enter all 9's (999999999) in the social security box. It is requested the grantor/grantee file an "Amended (PE-500x)" within 60 days providing the SS# or ITIN or an explanation as to why there is not one available. To determine whether or not an individual requires a SSN or ITIN, consult the *U.S. Tax Guide for Aliens*, Publication 519. <http://www.irs.gov/pub/irs-pdf/p519.pdf> ; Form W-7 <http://www.irs.gov/pub/irs-pdf/fw7.pdf> See RETN October 1997, Q7.

Q2. How do we fill out the address boxes if they have a foreign address?

- A. Street number, name and city can be completed just as you would for any address. The state name drop down list has numerous foreign listing after Wyoming, select the appropriate location. Enter all 9's for the zip code. The entire address may be inserted in the legal description box on the Legal Description Section. By entering 9's for the zip code, it will alert anyone to look in the Legal Description for the complete address.

Q3. "A" purchased property on land contract; later, "A" marries. At the direction of the husband, the vendor is now satisfying the land contract to the husband and wife with right of survivorship. The transfer is exempt under s. 77.25(17), Stats. since a fee was paid on the original. No other documents have been recorded giving a vendee's interest to the spouse and there is no specific intention expressed in the husband's direction to the vendor. If nothing else is done, does "A's" spouse have a real property interest in the real estate?

- A. Normally, the vendor is only passing the vendor's interest (similar to a mortgage satisfaction) to the person who had the real property rights under the land contract perfecting the title. However, the action of the husband directing the vendor to assign title to both spouses expresses intent that the property become marital property. In effect, the husband has reclassified his pre-marriage individual interest in the property by a gift to his wife.

Q4. If an LLC (consisting of 6 unrelated members) is dissolving, they own 6 parcels of real estate and are deeding one parcel to each member as part of the dissolution, would there be a transfer fee on each transfer?

- A. Yes. Fee on the fair market value of each parcel. These conveyances are not considered a "partition" under s. 77.25(5), Stats. since the LLC owns the property and not the individuals. They are conveyances of real property based upon the principal of "equitable conversion" where the individuals are converting their personal property interest (membership) in the LLC for a real property interest in the real estate. Since the members are not related, exemption s. 77.25(15), Stats. does not apply either.

Q5. I discovered an error on my eRETR Receipt after I “submitted” the data. I did not save my file, so what do I need to do to correct the errors and what happens to the data I submitted?

- A. Since you did not save your file, you must complete a “new” eRETR and discard the existing Receipt. The information you “submitted” went to a server at the Department of Revenue and can not be changed. The “submitted” information is not a “transfer return” at this point. The information only becomes transfer return when you send your Receipt, document and fees to the Register of Deeds. They will log into the eRETR program and submit the recording document number and date recorded and at that time it becomes an “official” transfer return and is accessible to the proper governmental offices that use the information. So, if you submit numerous times, (you will get a different receipt number each time) the only “submit” that is meaningful is the Receipt that is sent to the Register of Deeds. Just remember to save your file then all you need do is restore your saved information, make the changes needed, save again, submit and you will get a new Receipt with a different receipt number. **DO NOT alter any Receipt!** The Register of Deeds will reject and require you to furnish an original “correct” Receipt. Changing an existing Receipt does not change the information that was submitted to Revenue.

Q6. A lender obtains property pursuant to a foreclosure on which they held the note and exemption s. 77.25(14), Stats. applied. The lender is now to convey title to a mortgage insurer. Is there an exemption that applies?

- A. Depends on the contract with the insurer.
Fee is due if the conveyance is when the insurer has the sole obligation of insuring against default. Examples: the conveyance mortgage insurer contract provides that the insurer will make the lender whole by 1) paying the difference between the fair market value (generally the bid price at the sheriff’s sale) and the cost of the defaulted loan, or 2) purchase the property from the lender for all costs incurred. Exempt per s. 77.25(9), Stats. “agent to principal for no consideration” if the contract requires a transfer from the lender to the insurer. There is no option and the insurer has an obligation to obtain the property.
Note: reprint from Q2, RETN January 1999 and Q7, RETN May 1985

Q7. I own a building on land that I am leasing for 50 years. If I sell the building, is a transfer fee due even though the lease is less than 99 years as defined per s. 77.21(1), Stats.?

- A. Yes. When there is a conveyance of an improvement on leased land, a transfer return is required. Depending on the conveyance, a fee is due unless an exemption per s. 77.25, Stats. is applicable. Improvements (cell towers, boat slips, buildings, mobile homes, etc) on leased land is defined as real property per s. 77.21(1m), Stats. There is no minimum length of the term of the lease, only that a 99 year lease is also considered real property.

Q8. Is a transfer return required when a Transfer by Affidavit (PR-1831) is recorded and includes real estate?

- A. Yes since every conveyance of real property requires a transfer return per s. 77.21(1), Stats. Also see RETN October 2007, Q6 for the reporting of value.

Q9. What are the recent changes to the Weatherization Code?

- A. Exclusion code W-2 “Property was transferred prior to 1/1/85 by land contract and grantee has not changed” was eliminated. W-8 ENERGY CODE COMPLIANT - Building constructed after December 1, 1978 (built under Uniform Dwelling Code Standards (UDC) which contains 1 or 2 dwelling units; or any building with more than 2 dwelling units constructed after April 15, 1976 (built under commercial building code standards). Comm 67.02(2)(b) & (c). For this exclusion, use the date the owner submitted for a permit or plan approval from the municipality or Department of Commerce. If no building permit record is available, sanitary or zoning permits or assessment records could help define the age of building. Finally, the exclusion headings were clarified.

See eRETR [Instructions](#) - information for completing the transfer return at Real Estate Transfer Return Filing page: <http://www.revenue.wi.gov/ust/retn3.html>